

## ATTACHMENT E

### MISSOURI DEPARTMENT OF NATURAL RESOURCES

#### Federal Subgrants SPECIAL TERMS AND CONDITIONS

Any recipient employed under this agreement shall comply with the following special terms and conditions. It is understood that no recipient will receive payment unless the following conditions are complied with. These terms and conditions are in addition to all other terms and conditions contained in the financial assistance agreement.

#### **I. PUBLIC INFORMATION GUIDELINE REQUIREMENTS:**

1. The subgrantee must agree that all statements, press releases, requests for proposals, bid solicitations, and other documents describing the program/project for which funds are being awarded, will include a statement of the percentage of the total cost of the program/project which is financed with Environmental Protection Agency Region VII money, the dollar amount of Region VII funds for the program/project, and that the funds are provided through the Missouri Department of Natural Resources (DNR). On-the-ground projects must have a sign bearing this information and the names of other project partners.
2. The subgrantee must agree to coordinate all project information/education activities with the DNR Outreach and Assistance Center's Environmental Education Unit of the Environmental Assistance Office at (800) 361-4827. This coordination will include providing advance notification of project planning meetings to allow attendance and providing for review and approval of draft copies of agendas for public meetings and workshops. Failure to obtain prior approval will result in DNR disallowing reimbursement for production costs. Guidelines for planning information and education activities are attached.
3. All public information projects, including but not limited to, publications and audio-visual projects, must meet Department of Natural Resources quality standards, as outlined in the style sheet (attached) and the department's style manual. All recommendations made by a departmental review of the publications must be followed by the subgrantee. Unless otherwise specified in the Attachment A-1, Terms of Agreement, the subgrantee will provide to DNR five copies of printed materials and ten copies of videos produced. (Technical manuals and sound/slide series are excluded.)

See Attachment D, General Terms and Conditions for additional publication requirements.

#### **II. ADMINISTRATION REQUIREMENTS:**

1. Audit Requirements. Audits must report on fair presentation of the organizations financial statements in conformity with generally accepted accounting principles, the internal control structure, and compliance with applicable laws and regulations. The audits must be conducted in accordance with generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants.

The amended Single Audit Act of 1996 (revised June 27, 2003), which applies to all non-federal entities expending \$500,000 or more in federal awards in a fiscal year, takes effect for fiscal years beginning after December 31, 2003. This statutory requirement supersedes any other effective date in federal agency guidance, so the same effective date will apply to all agencies and all recipients of federal funds.

- a. Private For-Profit Organizations. Recipients having federal expenditures in excess of \$500,000 in a fiscal year must provide a copy of an independent auditor's report. For audit fiscal years before December 31, 2003, an audit is required when expenditures in a fiscal year are in excess \$300,000.
  - b. Universities and Non-Profit Organizations. Universities or Non-Profit recipients must submit a copy of an independent audit as prescribed in OMB circular A-133 if applicable. If circular A-133 does not apply, Universities or Non-Profit recipients having federal expenditures in excess of \$500,000 in a fiscal year must provide a copy of an independent auditor's report. For audit fiscal years before December 31, 2003, an audit is required when expenditures in a fiscal year are in excess \$300,000.
  - c. Government Organizations. Units of state or local governments must provide the department a copy of an independent auditor's report for expenditures in excess of \$500,000 in a fiscal year. For audit fiscal years before December 31, 2003, an audit is required when expenditures in a fiscal year are in excess \$300,000.
  - d. Audit waiver. Grant awards primarily for the purchase of equipment (i.e., when equipment purchases make up 80% of the total project costs) will not require an audit irrespective of the amount of the award.
  - e. Review of Expenditures Less Than \$500,000 (or \$300,000 prior to December 31, 2003):  
The recipient may be asked to provide documentation of project activity, financial statements, reports of various aspects of compliance at the request of the department if their expenditures are below the \$500,000 (or \$300,000 prior to December 31, 2003) threshold in a fiscal year. On-site monitoring and reviews by the department will be conducted if necessary that focus on compliance and controls over compliance. Any findings noted during the process will be handled in the same manner as any exceptions noted under a single or program-specific audit.
  - f. Recipients of federal funds, which are reviewed by the DNR or its representative, shall address all deficiencies identified in the review to the satisfaction of the DNR. Recipients failing to address deficiencies identified in the review will not be eligible to receive any further funding, and may be required to repay any and all disbursements of federal grant funds awarded by the MDNR.
2. Bid Procedures. Bids for purchases of goods or services must be solicited whenever the total purchase is expected to cost \$3,000 or more within a year from any one vendor. For instance:
- a. if one item purchased costs \$3,000 or more;
  - b. if several items purchased on a single invoice from one vendor, such as building supplies and tools, total \$3,000 or more; or
  - c. if several purchases are made at various times within one year from the same vendor total \$3,000 or more; for instance, purchase of rock in April for \$1,000, again in July for \$1,500, and again in September for \$1,075 from the same vendor.

The \$3,000 bid limit is the limit established under the procurement requirements of the State of Missouri, Office of Administration, Purchasing Division. Therefore, the \$3,000 limit will be used for any federal funds passed through to subgrantees for purchasing purposes within federal grant projects. If federal funds are passed from the subgrantee to any other participant to spend on the project, then the participant is to follow the same guidelines. A minimum of three bids is to be solicited with at least one being of a minority business.

Minority and women business enterprises are to be solicited in the bid process whenever possible. The bidding process is mandatory for purchases reimbursed with federal grant funds as well as purchases used to meet required match commitments. Further bid procedure and purchasing guidelines are found in the appropriate OMB circulars of Administrative Requirement of Grants and Agreements under Competition and Procurement procedures.